



TITLE	POLICY NUMBER	
Payment of Annual Leave to Non-Separating Employees for Hardship Reasons	DCS 04-37	
RESPONSIBLE AREA	EFFECTIVE DATE	REVISION
04 – Human Resources	10/22/2014	

## DCS 04-37

### Payment of Annual Leave to Non-Separating Employees for Hardship Reasons

*This policy does not create a contract for employment between any employee and the Department. Nothing in this policy changes the fact that all uncovered employees of the Department are at-will employees and serve at the pleasure of the appointing authority.*

#### I. POLICY STATEMENT

The purpose of this policy is to establish guidelines which, subject to funding availability, allow for payment to be made to employees for accumulated and unused annual leave. This policy provides written standards and procedures that provide for equal consideration of all similarly situated employees.

#### II. APPLICABILITY

This policy applies to all DCS employees, whether covered or uncovered, who are eligible to accrue and use annual leave.

#### III. AUTHORITY

[A.R.S. § 41-763](#) Powers and duties of the director of the Arizona Department of Administration

[A.A.C. R2-5A-B602](#) Annual leave

#### IV. DEFINITIONS

Department: The Arizona Department of Child Safety

Deputy Director: The Deputy Director of Business Operations of the Arizona Department of Child Safety.

Director: The Director of the Arizona Department of Child Safety.

Hardship: A severe, unforeseen financial emergency to the employee resulting:

- From a sudden and unanticipated event;
- Beyond the control of the employee.

Non-Separating Employee: An employee that has no immediate plans to separate employment from Arizona State government.

Similarly Situated Employee: Employees who perform the same or similar work and occupy positions with the same or similar duties and responsibilities and/or work within the same section/unit or geographical location; and who may either request the payment of annual leave for substantially similar reasons or have the same or similar annual leave balances.

## V. POLICY

- A. Subject to funding availability, a non-separating employee may request the payment of a maximum of forty (40) hours of an employee's accumulated and unused annual leave.
- B. Any annual leave hours approved for payment shall be paid at the employee's current rate of pay. The General Accounting Office (GAO) shall process the payment as soon as possible.
- C. Donated annual leave received from other employees shall not be paid out under this policy.
  1. Donated annual leave must be used, except;
    - a. If the recipient employee recovers before using all the donated annual leave, or if the need for the leave is otherwise abated;
    - b. The unused donated leave shall be returned to the donating employee(s) as specified in [A.A.C. R2-5A-B602.F, Donation of Annual Leave](#).
- D. An employee who receives payment for annual leave may not "buy back" the leave at a later date for the purpose of restoring the annual leave hours to the employee's leave balance.
- E. If an employee intends to request payment of annual leave, the employee:
  1. May request annual leave payment for a hardship reason. Examples of hardship may include the following event or events:
    - a. Medical or medical-related expenses of the employee beyond that covered by the employee's health insurance;
    - b. Death of a member of the employee's family whose wages support the employee's livelihood or the death of an employee's dependent;

- c. Medical expenses of a member of the employee's family whose wages support the employee's livelihood or medical expenses of an employee's dependent;
    - d. Destruction of an employee's residence or property due to natural disasters or man-made causes (e.g. fire, flood).
  - 2. Shall indicate the total number of hours for which payment is requested. The request must be in whole hours, not fractions of an hour. Requests submitted for fractions of an hour shall be reduced to the nearest whole hour.
  - 3. May request payment for annual leave once per fiscal year and no more than once in a 12-month period.
  - 4. Must have used a minimum of forty (40) hours of annual leave within the past twelve (12) months immediately prior to submitting the request.
- For example, if the employee submits the request for payment on July 1, 2016, the employee must have used at least 40 hours of annual leave between July 1, 2015 and June 30, 2016.
- 5. May not submit a request for payment that would result in reducing the employee's annual leave balance below forty (40) hours, after the payment.
- F. Equal consideration will be given to all employees similarly situated.
  - G. Payments of annual leave are taxable as income and subject to other payroll deductions.

## VI. PROCEDURE

- A. To request payment of annual leave for hardship reasons, the employee submits the *Request for Payment of Annual Leave (DCS-1027A)* form to their direct supervisor.
  - 1. The employee notes the total number of hours (in whole hours) for which payment is requested. (Requests submitted for fractions of an hour shall be reduced to the nearest whole hour.)
  - 2. The employee indicates the hardship reason in the "Reason for Request" field. (See V.E.1)
  - 3. The employee attaches all supporting documentation with the DCS-1027A.
- B. The supervisor:
  - 1. Reviews the DCS-1027A for completeness;
  - 2. Recommends approval or denial of the request; and
  - 3. If approved, forwards the DCS-1027A to the Administrator or Program Manager.

- C. The Administrator or Program Manager:
  - 1. Reviews the DCS-1027A for compliance with this policy;
  - 2. Recommends approval or denial of the request; and
  - 3. If approved, forwards the DCS-1027A to the Deputy Director.
- D. The Deputy Director:
  - 1. Reviews the DCS-1027A for compliance with this policy;
  - 2. Recommends approval or denial of the request; and
  - 3. If approved, forwards the DCS-1027A to Human Resources (HR).
- E. If, at any level, the employee's request is disapproved, the request is returned to the employee with a statement explaining the reason(s) for the disapproval.
- F. HR logs the approved DCS-1027A and forward it to the DCS Payroll Office.
- G. DCS Payroll:
  - 1. Ensures that all used annual leave has been deducted from the employee's annual leave balance;
  - 2. Ensures that the number of hours of annual leave payment requested includes only accumulated and unused leave;
  - 3. Ensures the employee will have a minimum balance of forty (40) hours after the annual leave deduction is completed; and
  - 4. Processes the payment request. Payments of annual leave are taxable as income and subject to other payroll deductions.
- H. DCS Payroll retains the original DCS-1027A and notifies the employee when the request has been processed.

## **VII. FORMS INDEX**

*Request for Payment of Annual Leave (DCS-1027A)*